

Message Text

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INFO CINCPAC HONOLULU HI

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CH OF LEGISLATIVE AFFAIRS/NAVY WASH DC

C O N F I D E N T I A L SECTION 1 OF 2 TOKYO 8929

E.O. 11652: GDS

TAGS: OREP (BRADY, JOHN; PITCHFORD, GERALD)

SUBJ: VISIT OF STAFFDEL BRADY/PITCHFORD TO TOKYO

CINCPAC FOR J8 AND POLAD; SECDEF FOR DSAA

1. SUMMARY. DURING VISIT TO TOKYO JUNE 25-27, MSSRS. BRADY AND PITCHFORD OF THE HOUSE INTERNATIONAL RELATIONS COMMITTEE STAFF INQUIRED EXTENSIVELY INTO THE CONTINUING NEED OF THE MUTUAL DEFENSE ASSISTANCE OFFICE, JAPAN. STAFFDEL ALSO PRESSED THE ISSUE THAT JAPAN IS THE PRIMARY BENEFICIARY OF THE U.S. MILITARY PRESENCE IN THE WESTERN PACIFIC AND THEREFORE SHOULD "SHOULDER" MORE OF THE BURDEN.

2. STAFFDEL BRADY/PITCHFORD ARRIVED IN TOKYO 25 JUNE AND DEPARTED 27 JUNE 1975. DURING STAFFDEL STAY IN TOKYO, THEY VISITED MDAO/J FOR BRIEFING AND DISCUSSIONS OF SECURITY ASSISTANCE AND SALES MATTERS; HELD DISCUSSIONS WITH POL COUNSELOR AND OFFICERS IN POL-MIL AND ECON SECTIONS; CALLED ON THE AMBASSADOR AND THE DCM; AND PAID COURESY CALLS ON CHIEF AND DEPUTY CHIEF, EQUIPMENT BUREAU, JAPAN DEFENSE AGENCY (JDA), AND DEPUTY CHIEF, CENTRAL PROCUREMENT OFFICE, JDA. LUNCHEON DISCUSSIONS WERE HELD WITH MDAO PERSONNEL AND SIX SENIOR OFFICERS FROM THE JAPANESE MILITARY ON 27 JUNE.

3. IN DISCUSSIONS WITH CHIEF, MDAO AND STAFF ON 26 JUNE, STAFFDEL SURFACED EARLY A QUESTIONING OF THE NEED FOR THE MDAO-J
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ORGANIZATION SINCE JAPAN IS NO LONGER UNDER MAP/GRANT AID. THEY CONCENTRATED ON THE AREA OF FMS SHOWING ONLY A PERFUNCTORY INTEREST IN THE OTHER ASPECTS OF THE MDAO FUNCTIONS AND SPECIFICALLY PROPOSED THE ESTABLISHMENT OF A JAPANESE PURCHASING OFFICE IN THE

U.S. TO HANDLE SUCH MATTERS PRESENTLY CONDUCTED THROUGH MDAO-J. THE ESSENTIALITY OF MDAO WAS EXPLAINED BY REITERATING THE BASIC MISSION OF PROMOTING QUALITY IMPROVEMENT AND STANDARDIZATION AND THE FOLLOWING POINTS WERE STRESSED: (1) INDUSTRIAL SECURITY REQUIREMENTS AND MDAA REQUIREMENTS FOR TRANSFER OF RELEASABLE CLASSIFIED DEFENSE INFORMATION TO JDA ON A GOVT-TO-GOVT BASIS; (2) END ITEM UTILIZATION AND MONITORSHIP IS AN ONGOING PROJECT SINCE JAPAN HAS APPROX \$800 MILLION MAP EQUIPMENT STILL ON-HAND AND ALL EXCESSING AND TURN-INS ARE HANDLED BY MDAO IN ACCORDANCE WITH THE MDAA OF 8 MARCH 1954; (3) MDAO CONTINUING ANALYSIS OF JDA R&D EFFORTS IN THE DATA EXCHANGE PROGRAM EXECUTION; (4) THE IMPORTANT ANCILLARY BENEFITS THE MISSION RECEIVES FROM MDAO REGARDING DEFENSE TRENDS AND ANALYSIS OF JAPAN'S DEFENSE BUDGET; (5) JAPAN FUNDS 88 PERCENT OF THE ELIGIBLE COSTS OF THE OFFICE. IT WAS EMPHASIZED THAT MDAO IS NOT LIKE OTHER MAAG'S IN THE PACIFIC IN THAT THERE IS NO ADVISORY FUNCTION AS SUCH AND IN RESPONSE TO THE STAFFDEL INTEREST IN FMS, IT WAS POINTED OUT THAT MDAO PERSONNEL ARE NOT SALESMEN BUT, RATHER, FACILITATORS OF SALES IN RESPONSE TO JAPANESE NEEDS IN AN EFFORT TO EFFECT STANDARDIZATION AND COMPLEMENTARITY BETWEEN U.S. FORCES AND JSDF. IN SUMMARY IT WAS NOTED THAT THE MDAO STRUCTURE AND FUNCTIONS COULD BE USEFULLY APPLIED AS A MODEL FOR MAAG'S IN OTHER HOST COUNTRIES EVOLVING FROM FULL GRANT AID TO FINANCIAL SELF-SUFFICIENCY.

4. IN REPLY TO THE VARIOUS QUERIES ON THE FEASIBILITY OF JDA ESTABLISHING A PURCHASING OFFICE IN THE U.S., MDAO INDICATED THAT JAPAN WOULD PROBABLY BE OPPOSED TO SUCH AN ARRANGEMENT DUE TO THE LOSS OF DIRECT CONTACT BETWEEN JDA AND VARIOUS AGENCIES IN DOD THROUGH MDAO AND PROBLEMS OF STAFFING THE OFFICE. WE STRESSED THE INEVITABLE LOSS OF RAPPORT AND INFLUENCE ON FORCE STRUCTURE AND THE INCREASED COST TO BOTH GOVERNMENTS IN THAT IT WOULD PROBABLY COST THE JAPANESE MORE TO SUPPORT SUCH AN OFFICE AND THERE WOULD BE INCREASED COSTS TO THE U.S. TO DIVERT MANPOWER ASSETS AT THE WASHINGTON LEVEL TO RESPOND TO JAPANESE PURCHASING OFFICE PERSONNEL WHO WOULD CONSTANTLY BE IN CONTACT WITH THE MILITARY DEPARTMENTS SEEKING ANSWERS TO QUESTIONS CONCERNING MILITARY CONFIDENTIAL

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EQUIPMENT, SUPPLIES, ETC. THESE SUBJECTS (NEED FOR MDAO AND ESTABLISHMENT OF A PURCHASING OFFICE IN THE U.S.) WERE OPENLY DISCUSSED WITH MR. YAMAGUCHI AND MR. NOMURA, EQUIPMENT BUREAU, JDA, AND THE TENOR OF THEIR REPLIES INDICATED THAT A PURCHASING OFFICE WOULD, OF NECESSITY, INVOLVE THE FOREIGN MINISTRY WHICH WOULD COMPLICATE COMMUNICATION AND INDICATED THE SECURITY ASPECTS OF COMMUNICATING CLASSIFIED INFORMATION WOULD BE A MAJOR PROBLEM. THIS WOULD RESTRICT PURCHASING PERSONNEL FROM WORKING DIRECTLY WITH U.S. DEFENSE INDUSTRIES, SINCE CLASSIFIED INFORMATION MUST BE TRANSFERRED ON A GOVT-TO-GOVT BASIS IN ORDER FOR JAPAN TO PROTECT IT UNDER JAPANESE LAWS. IN A SUBSEQUENT MEETING WITH MR. YASUDA, CPO, JDA, SIMILAR QUESTIONS WERE SURFACED AND MR. YASUDA AMPLIFIED THE PREVIOUS REMARKS CONCERNING SECURITY

ASPECTS, COMMUNICATION PROBLEM AND COST TO STAFF SUCH AN OFFICE. WHEN ASKED BY STAFFDEL IF THE U.S. WERE TO INFORM GOJ THAT MDAO WOULD BE CLOSED UNLESS GOJ IS WILLING TO PAY ALL COSTS, MR. YASUDA EXPLAINED THAT GOJ IS SHOULDERING MUCH OF THE EXPENSE INVOLVED WITH MDAO OPERATIONS NOW (88 PERCENT OF ELIGIBLE COSTS). WHEN ASKED IF GOJ WERE PRESSURED TO PAY ALL EXPENSES, THE TENOR OF MR. YASUDA'S REPLY INDICATED HE WOULD BE SURPRISED IF GOJ WOULD RECEIVE SUCH A REQUEST FROM THE USG. MR. YASUDA CLOSED THE MEETING BY SOLICITING THE STAFFDEL UNDERSTANDING THAT THE OVERALL VALUE OF MDAO IS NOT JUST FOR MILITARY PURPOSES BUT THAT IT HAS MADE AN INVALUABLE CONTRIBUTION TO JAPAN-U.S. RELATIONS BECAUSE OF THE CLOSE WORK BEING ACCOMPLISHED BETWEEN JDA AND MDAO. IN FACT, MR. YASUDA STRONGLY SUGGESTED THAT MDAO SHOULD RECEIVE AN INCREASE IN STAFFING.

5. THE CALL ON THE POL COUNSELOR INCLUDED SUCH QUESTIONS AS: "WHAT IS THE EMBASSY'S POINT OF VIEW ON WHAT MDAO DOES? COULD TDY PEOPLE DO IT? COULD THE POL SECTION DO IT?" THE SUBSTANCE OF THE POL SECTION REPLY WAS THAT THE POL SECTION COULD NOT DO THE MDAO JOB WITHOUT THE MDAO ASSETS. SOME OF THE MAP MONITORSHIP MIGHT BE DONE BY TDY PERSONNEL, BUT THE VERY IMPORTANT THINGS MDAO DOES IN INDUSTRIAL SECURITY, IN WORKING WITH THE JAPANESE IN CLASSIFIED MATTERS, AND IN MONITORING THE JAPANESE DEFENSE PLANNING COULD NOT BE DONE. THE EMBASSY FEELS MDAO IS ONE OF THE VERY GOOD OPERATIONS IN THE MISSION, THE ORGANIZATIONAL RELATIONSHIP IS EFFICIENT, AND THE COST IS MINIMAL IN RELATION TO THE IMPORTANT BENEFITS THE MISSION RECEIVES FROM THEIR WORK.
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6. IN MEETINGS WITH THE AMBASSADOR, DCM, POL AND ECON, STAFFDEL HIT HARD ON THE CENTRAL THEME OF VISIT THAT "THERE IS A FEELING THAT JAPAN IS THE MAJOR BENEFICIARY OF THE U.S. MILITARY PRESENCE IN THE WESTERN PACIFIC AND A LOT OF PEOPLE FEEL JAPAN SHOULD ACCEPT MORE OF THE DEFENSE BURDEN AND CONTRIBUTE MORE AID TO ASIAN COUNTRIES." (DETAILED QUESTIONS DIRECTED AT VARIOUS SECTIONS IN THE EMBASSY ALL AMPLIFY THIS TEHEME; E.G., HOW MANY BASES DOES U.S. HAVE IN JAPAN? ARE THERE ANY JOINT COMMANDS AT U.S. BASES IN JAPAN? WHAT PORTION OF THE BOP IS RELATED TO MILITARY PRESENCE IN JAPAN? HOW MUCH AID IS JAPAN GIVING TO THE PHILIPPINES, THAILAND, INDONESIA AND KOREA?) IN ADDITION TO THE SPECIFIC FACTUAL RESPONSES, THE SALIENT ASPECTS OF EMBASSY'S RESPONSE TO THIS EXPRESSED CONCLUSION WERE:

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IT IS A MATTER OF ESTABLISHED EMBASSY POLICY THAT WE SEEK JAPAN'S INCREASED AID TO ASIAN COUNTRIES. EMBASSY FEELS THIS APPROACH AMONG THE OBJECTIVES, WILL FREE RESOURCES IN RECIPIENT COUNTRIES TO BE DEVOTED TO DEFENSE. HOWEVER, FOR A WHOLE HOST OF REASONS, JAPAN HAS BEEN BATTLING A DOUBLE-DIGIT INFLATION AND ECONOMIC AND MONETARY PROBLEMS JUST LIKE THE U.S. THE POINT BEING THAT THE TIMING IS NOT GOOD RIGHT NOW FOR GETTING JAPAN TO DO MORE. THE ECONOMIC SITUATION HAS PRODUCED A "CLOSE-TO-THE-BELT" CLIMATE WHICH WILL EXIST FOR YEAR OR MORE UNTIL THEY GET OUT OF THE PRESENT ROUGH ECONOMIC SITUATION. FOR 20 YEARS OR MORE, THE U.S. RELATIONSHIP WITH JAPAN HAS BEEN PROPRIETARY IN NATURE, WE ASKED JAPAN TO PRODUCE AND THEY DID IF THEY COULD. THE RELATIONSHIP NOW IS MORE OF A PARTNERSHIP AND WE HAVE TO HAVE A POLICY OF WORKING WITH THEM INSTEAD OF TELLING THEM WHAT TO DO. CONGRESS SHOULD CONSIDER THIS NEW RELATIONSHIP WHEN DECIDING WITH TO ASK OF JAPAN AND REMEMBER THAT CLOSE, STRONG TIES MAY BE THE ONLY WAY TO HAVE STABILITY IN NORTHEAST ASIA. A STRONG TIE IS GOOD FOR JAPAN AND U.S. BOTH. A NOW-EMERGING PRINCIPLE IS THE REALIZATION BY JAPAN THAT THE STRONG AND BIG ECONOMIC SURVIVAL DEPENDS ON GOOD RELATIONS WITH THE REST OF THE WORLD BECAUSE JAPAN IS REALLY NOTHING MORE THAN A BIG PROCESSING PLANT IN ORDER TO ACHIEVE THIS, JAPAN MAY WANT TO INCREASE FOREIGN AID BUT ANY INCREASE MUST COME AT OTHER TIME, WHEN THEY ARE READY AND CAN DO IT AND THE TIMING IS DOWN THE ROAD BECAUSE OF THE ECONOMIC SITUATION. THE APPROACH OF ECONOMIC AID VS. MILITARY AID, SO THE RECIPIENT COUNTRY CAN FREE RESOURCES TO BE DEVOTED TO DEFENSE, IS PALATABLE TO JAPAN, ESPECIALLY WITH CONFIDENTIAL

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REGARD TO KOREA; IT IS POLITICALLY IMPOSSIBLE FOR THE GOJ TO CONSIDER DIRECT MILITARY ASSISTANCE PROGRAMS. THEY CANNOT BE SPECIFIC OR OPEN ABOUT ANY AID TO KOREA, HOWEVER, BECAUSE OF INTERNAL OR POLITICS AND CANNOT BE APPEARING TO DO IT BECAUSE THE U.S. IS TELLING THEM TO DO IT.

7. WHILE THE STAFFDEL READILY ACCEPTED ALL INFORMATION PROVIDED, THERE WAS NO INDICATION EITHER DIRECTLY OR THROUGH INFORMAL DISCUSSIONS AS TO WHAT WOULD BE THE TONE OF THEIR REPORT. IN RETROSPECT, WE DO NOT BELIEVE THERE WAS A COMPLETE UNDERSTANDING BY STAFFDEL OF THE JAPANESE RELUCTANCE IN CONSIDERING THE ESTABLISHMENT OF A PURCHASING OFFICE IN THE U.S. JDA'S KEY OBJECTION,

WHICH WAS ALLUDED TO SEVERAL TIMES DURING THERI DISCUSSONS WITH STAFFDEL, IS THAT THERE WOULD BE NO DECISION-MAKING AUTHORITY VESTED IN THE PROPOSED OFFICIE. IT WOULD ONLY ACT AS AN EXPEDITER FOR ONGOING SALES ACTIONS, WHILE ALL DECISION-MAKING WOULD STILL REMAIN INJAPAN. FURTHERMORE, SUCH AN OFFICE, IF OPENED, WOULD PROBABLY DEAL WITH ONLY ONE POINT OF CONTACT INDOD WHEREAS UNDER MDAO'S WORKING CHARTER, THEY HAVE DIRECT ACCESS TO ALL SECURITY ASSISTANCE ELEMENTS OF DOD WHO ARE IN A GOOD POSITION TO RESPOND IMMEDIATELY CHAIN OF COMMAND-LAYERING. NOTHWITHSTANDING THE ESTABLISHMENT OF A GOJ PURCHASING OFFICE IN THE U.S. MDAO WOULD CONTINUE TO HAVE RESPONSIBILITY FOR SEVERAL OTHER MDAA REQUIREMENTS AND FOR DOD PROGRAMS THAT MUCH BE PERFORMED IN JAPAN IN ORDER TO FACILITATE STANDARDIZATION/SALES FOR LICENSED PRODUCTION OR COMMERCIAL ACQUISITION, PARTICULARLY FOR CLASSIFIED DEFENSE HARDWARE DURING THE PRE- AND POST-ADOPTION TIME FRAME.
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